



A Program of the Texas Emissions Reduction Plan (TERP)



Texas Clean School Bus Program



Workshop Agenda

- **TERP Overview**
- **TCSB Overview**
- **Eligibility**
- **Replacement & Retrofit Projects**
- **Application Process**
 - **Application Forms**
 - **Grant Tables**
- **Post Award Ins & Outs**
- **Questions and Answers**





What does TERP do?

- Provides grants to reduce nitrogen oxides (NO_x) emissions from mobile sources
- Achieves reductions of pollutants emitted in diesel exhaust from school buses
- Helps to advance new technologies that reduce NO_x emissions from facilities and stationary sources
- Supports programs to encourage the use of alternative fuels for transportation in Texas

Helps to keep the air clean in Texas!



Why Reduce NO_x Emissions?

Ground level ozone is created by chemical reactions of NO_x and volatile organic compounds (VOC) in the presence of sunlight

NO_x + VOC + Sunlight = OZONE



Mobile Sources of NO_x





How Does TERP Reduce NO_x Emissions from Mobile Sources?

- Through the early retirement of heavy-duty vehicles and pieces of equipment, particularly those with large diesel engines
- By replacing older engines with newer models with more stringent federal emission standards for NO_x and other pollutants





TERP Grant Programs

Emissions Reduction Incentive Grants (ERIG) Program

Rebate Grants Programs

Texas Clean Fleet Program (TCFP)

Texas Natural Gas Vehicle Grant Program (TNGVGP)

Seaport and Rail Yard (SPRY) Program

Alternative Fueling Facilities Program (AFFP)

Texas Clean School Bus (TCSB) Program

New Technology Implementation Grants (NTIG) Program

Light-Duty Purchase or Lease Incentive (LDPLI) Program



Texas Clean School Bus (TCSB)

Provides grants to replace or retrofit school buses to help reduce children's exposure to diesel exhaust in and around diesel-fueled school buses





Overview of TCSB

- **Statewide** program
- Grants will be awarded on a **first-come, first-served basis**
- **Replace or retrofit** older diesel school buses
 - **Retrofit projects** will reimburse up to 100%
 - **Replacement projects** will reimburse up to 75%
- **\$6.2 million** in funding is available



Eligible Applicants

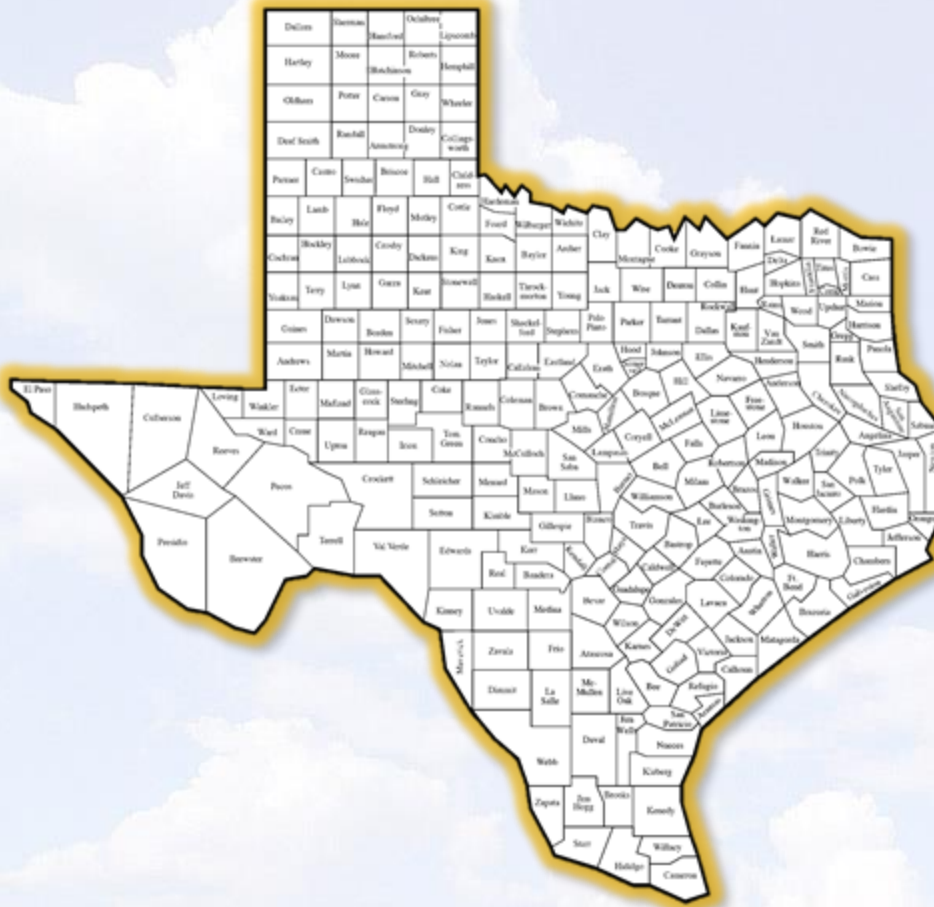
Eligible applicants operate diesel-fueled school buses on a daily route to and from school in Texas during the regular school year, and may include:

- public school districts;
- charter schools; and
- transportation systems provided by countywide school districts.

Note: Private schools are not eligible under this grant program



TCSB Eligible Areas



TCSB projects are available to eligible applicants **statewide**



Replacement Projects

Replace a **pre-2007 diesel-fueled school bus** with a new school bus of the current or previous model year





Eligible Replacement Projects

- School buses to be replaced must be **currently owned by the applicant** and **operated on a regular daily route** to and from a school during the regular school year.
- For at least the **two years immediately** preceding the grant application, the school bus being replaced must have been:
 - owned or commercially financed by the applicant;
 - continuously registered in Texas (if applicable);
and
 - continuously inspected for safety.



Eligible Replacement Buses

Replacement school buses must be:

- the same type as the school bus being replaced; and
- of the current or previous model year at the time the application is submitted.



Supporting Documentation

- Applicants must prove ownership, safety inspection, and registration requirements for the school bus being replaced.
- The school bus being replaced must be inspected by a qualified mechanic to be in **good running condition** and capable of performing its function for at least five more years.
- Applicants must submit color photographs of the school bus being replaced.





Replacement Projects

Eligible Costs & Grant Amounts

Eligible Costs:

- Reimbursement of up to 75% of the incremental costs of the replacement school bus, not to exceed the maximum eligible grant amount from the table
- Incremental cost is the cost to purchase the replacement school bus minus the scrap value of \$1,000.
- Eligible costs include the **invoice cost of the new school bus**, including **taxes**, **duty**, protective **in-transit insurance**, and **freight** charges.

Maximum Grant Amount Table:

- Pre-determined by the TCEQ
- Available for viewing and download on the **TERP website** at www.terpgrants.org



Maximum Grant Amount Table

Maximum Grant Amount Table No. 1 Applicants Replacing School Buses					
Category	Passenger Capacity (PSX)	Gasoline	Diesel	LPG	CNG
Type A	PSX 30 or fewer	\$28,000	\$29,500	\$36,500	
Type B, C, D, or Other	PSX up to 49	\$41,500	\$44,500	\$49,500	\$58,000
	PSX 50-67	\$42,000	\$47,500	\$50,500	\$65,500
	PSX 68-77	\$44,000	\$50,000	\$52,500	\$66,000
	PSX 78 or greater		\$55,500		\$70,500

www.terpgrants.org



Retrofit Projects

Retrofit diesel-fueled school buses that have a five-year life span remaining with *closed crankcase filtration systems; diesel particulate filters; or diesel oxidation catalysts*





Eligible Retrofit Projects

Devices that reduce crankcase emissions:

- **Closed crankcase filtration systems (CCFS)** that are shown to reduce crankcase PM emissions may be funded independently or in conjunction with another verified system

Diesel oxidation catalysts (DOC):

- Eligible for buses manufactured before 1994
- The TCEQ will only consider reductions of emissions that can be **verified** through the EPA or CARB websites.



Eligible Retrofit Projects (cont.)

Diesel particulate filters (DPF):

- Eligible for diesel-fueled **school buses built from 1994 to 1998**
- The TCEQ will only consider reductions of emissions that can be **verified** through the EPA or CARB websites.
- Require the use of **ultra-low sulfur diesel** (available in most counties in the state of Texas)



Retrofit Projects

Eligible Costs and Grant Amount

Eligible Costs:

- Reimbursement of **up to 100% of the cost to purchase and install the retrofit device** and associated equipment to include:
 - equipment cost;
 - **invoice cost of the retrofit equipment**, including taxes, duty, protective in-transit insurance, and freight charges; and
 - **installation costs**, which may include costs to re-engineer the school bus for the retrofit system to fit, technical design, testing, and other engineering services required as part of the installation.



Application Review and Selection

- Applications will be awarded on a first-come, first-served basis.
- The TCEQ will review the applications and, to the extent possible, notify applicants of any needed changes or additional information.
- The TCEQ will work with applicants, to the extent possible, to correct problems with applications and to obtain all necessary information and documentation in order to consider the application complete.



What happens next if my project is awarded a grant?

- **Contracting**

- A contract will be sent to an applicant selected for award to sign and return.
- The TCEQ will provide a Notice to Proceed (NTP) to the grant recipient when/if funds are available to cover the grant.

- **Reimbursement**

- Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
- A cost may not be considered incurred until the grant-funded goods and services have been received and accepted by the grant recipient.
- Grant recipients may assign the grant payment to a dealer or financing entity.



What happens next if my project is awarded a grant?

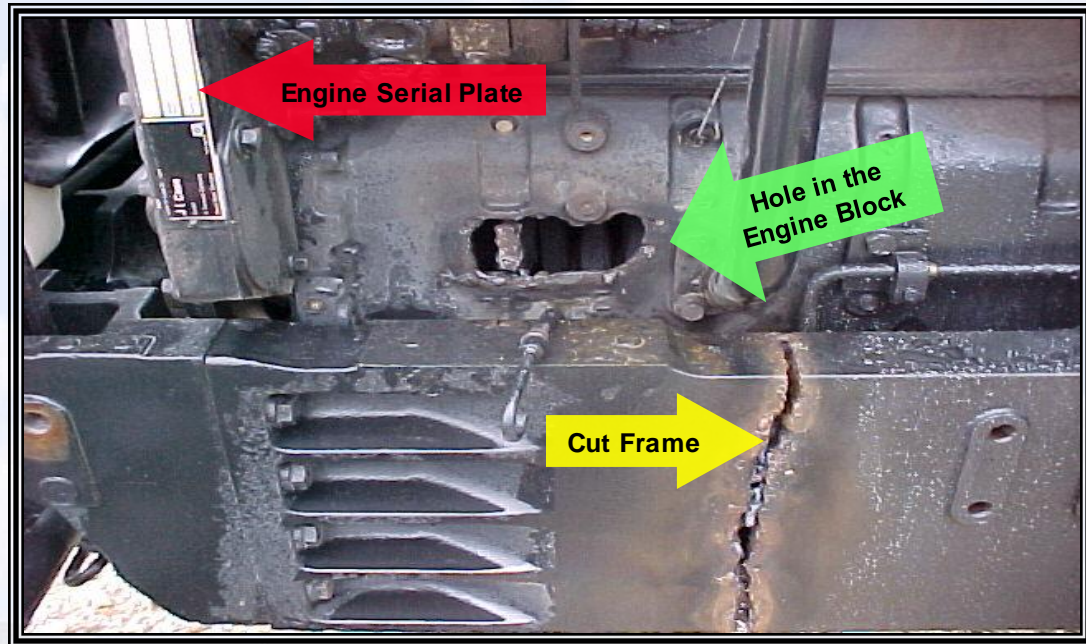
- **Disposition of School Buses Being Replaced (Replacement Projects Only)**
 - The grantee must complete the disposition process within 90 days of reimbursement.
 - The grantee must choose one of the following options for disposition of the school bus being replaced:
 - Standard Disposition;
 - Alternative Destruction; or
 - Permanent Removal from Texas



Standard Disposition

Destroy the Engine and Render Permanently Inoperable:

- Cut a **three-inch or larger hole** in both sides of the engine block
- **Cut both frame rails** in half
- Submit a copy of the **Texas Non-repairable Vehicle Title** issued by TxDMV





Alternative Destruction

- Applicants may request TCEQ approval of an **alternative method** for rendering the bus and engine permanently inoperable.
- If the alternative destruction method is not approved by the TCEQ, adhere to the **standard destruction methods**.
- If the alternative destruction method is approved, that **approval** will be included in the grant contract.



Removal of Buses from North America

Permanent removal of buses from North America:

- Export the buses to a destination **outside of North America** (United States, Canada, and United Mexican States)
- Submit a detailed plan for export and the transfer of ownership of the bus(s) in writing to TCEQ
- The exported bus(s) **may not return to North America**



What happens next if my project is awarded a grant?

- **Monitoring and Enforcement**
 - The grant recipient must submit usage reports once per year for the duration of the activity life.
 - TCEQ will conduct on-site visits to view the equipment and ensure usage records are being maintained.
 - Failure to report or failure to meet the usage commitments may result in the grant recipient having to return a share or all of the grant funds.
 - Annual reports on the use of the grant-funded equipment will be required for the life of the project, using the forms provided by the TCEQ.



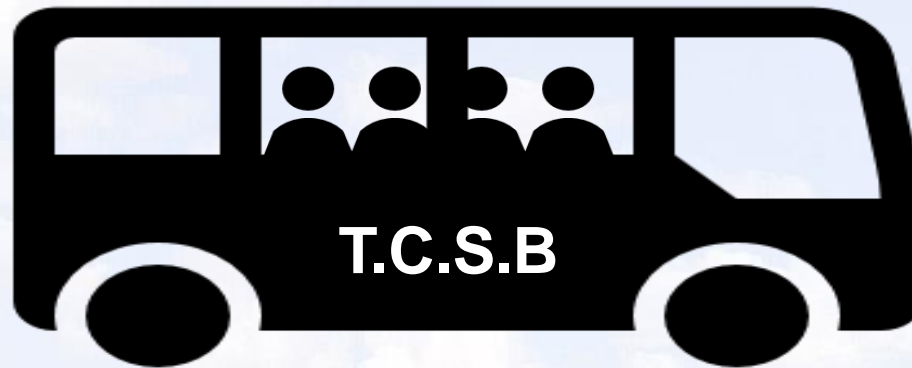
Activity Life Commitment

- The Activity Life is the period of time used to determine the emissions reductions.
- Grant-funded school buses will be monitored for a period of five years
- All grant recipients must track and report on the use and location of all grant-funded school buses for the Activity Life.
- Reports will be due annually over the Activity Life.



Usage Commitment

Must be used on a regular daily route to and from a school during the regular school year for the duration of the activity





Completing the Grant Application

- Refer to www.terpgrants.org for detailed application instructions

TERP > Texas Clean School Bus Program > How Do I Apply?





Submitting the Grant Application

Completed grant applications may be submitted to the TCEQ in person or by mail.

Regular Mail:

Texas Commission on Environmental Quality
Air Quality Division
Implementation Grants Section (TCSB), MC-204
P.O. Box 13087
Austin, TX 78711-3087

Express Mail (or hand delivery):

Texas Commission on Environmental Quality
Air Quality Planning Division
Implementation Grants Section (TCSB), MC-204
12100 Park 35 Circle, Bldg. F
Austin, TX 78753




How can I get help?

- **TERP staff is available to assist with the application process free of charge. Call us!**
 - TCEQ staff are available to answer questions by phone or walk-in appointment at the TERP offices in Austin.
- Consultants may be available to assist with the application process.
 - The TCEQ has no business relationship with these consultants.
 - It is the applicant's choice to work with a consultant.
 - Consultant fees for the preparation of a grant application, either directly or as an addition to the cost basis of the grant-funded vehicle, equipment, or engine, are not eligible costs.



TERP E-Mail Updates

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

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- Emergency Response
- Licensing
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- Preventing Pollution
- Recycling
- Reporting
- Rules


- 🔍 Data and Records
- 📄 Forms
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TERP

**TEXAS EMISSIONS REDUCTION PLAN
A PROGRAM OF THE TCEQ**

**GET MONEY TO UPGRADE OR
REPLACE YOUR TRUCK OR
EQUIPMENT—AND CLEAR THE AIR!**

The TERP program provides financial incentives to eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.

New and upgraded equipment pollutes less, improving the air quality in Texas. **Grant applications are accepted at different times throughout the year, depending on available funds.**

We believe these to be taxable grants. Please consult with your tax advisor.

NEW ITEMS:

Proposed Revisions to TERP Rules and Guidelines

Proposed Rulemaking

The TCEQ has proposed revisions to the rules for the TERP Drayage Truck Incentive Program under 30 Texas Administrative Code Chapter 114, Control of Air Pollution From Motor Vehicles, §114.680 and §114.682. Copies of the proposed revisions

Upcoming TERP Meetings and Workshops

- Information for potential applicants and interested parties: grant program workshops, application assistance sessions, and public meetings.

Sign up for e-mail updates.

Need more information?
Call (toll-free)
800-919-TERP (8377)
Or see other contact info.

Questions or Comments:
terp@tceq.texas.gov

[Click HERE](#)

[plementation/air/terp/subscribe.html](#)

www.terpgrants.org



Contacts

- Website: www.terpgrants.org
- E-mail: cleanbus@tceq.texas.gov
- Toll Free: 800-919-TERP (8377)

We're here to help!